

§ 401.23 Liability insurance.

(a) It is a condition of approval of an application for preclearance that the vessel is covered by liability insurance equal to or exceeding \$100 per gross registered ton.

(b) No vessel shall transit while its liability insurance is not in full force and effect.

(68 Stat. 93-96, 33 U.S.C. 981-990, as amended and secs. 4, 5, 6, 7, 8, 12 and 13 of sec. 2 of Pub. L. 95-474, 92 Stat. 1471)

[39 FR 10900, Mar. 22, 1974, as amended at 45 FR 52378, Aug. 7, 1980]

§ 401.24 Application for preclearance.

The representative of a vessel may, on a form obtained from the Corporation, Massena, New York, or the Authority, Cornwall, Ontario, apply for preclearance, giving particulars of the ownership, liability insurance and physical characteristics of the vessel and guaranteeing payment of the tolls and charges that may be incurred by the vessel.

(Approved by the Office of Management and Budget under control number 2135-0002)

[42 FR 27586, May 31, 1977, as amended at 49 FR 30936, Aug. 2, 1984]

§ 401.25 Approval of preclearance.

Where the Corporation or the Authority approves an application for preclearance, it shall:

- (a) Give the approval in writing; and
- (b) Assign a number to the approval.

§ 401.26 Security for tolls.

(a) Before transit by a vessel to which the requirement of preclearance applies, security for the payment of tolls in accordance with the St. Lawrence Seaway Tariff of Tolls as well as security for any other charges, shall be provided by the representative by means of:

(1) A deposit of money with the Corporation or the Authority;

(2) A deposit of money to the credit of the Corporation or the Authority with a bank in the United States or a member of the Canadian Payments Association, a corporation established by section 3 of the Canadian Payments Association Act, or a local cooperative credit society that is a member of a central cooperative credit society hav-

ing membership in the Canadian Payments Association;

(3) A deposit with the Corporation or the Authority of negotiable bonds of the Government of the United States or the Government of Canada; or

(4) Furnishing to the Corporation or the Authority a letter of guarantee given by an institution referred to in paragraph (a)(2) of this section.

(b) The security for the tolls of a vessel shall be sufficient to cover the gross registered tonnage of the vessel:

(1) On the Seaway between Montreal and Lake Ontario, at \$1.75 per ton for transit each way or at \$3.50 per ton for a round trip;

(2) On the Welland Canal, at \$1.40 per ton for transit each way or at \$2.75 per ton for a round trip;

(c) Where a number of vessels:

(1) Are owned or controlled by the same individual or company, and

(2) Have the same representative, the security for the tolls may be provided in an amount estimated by the representative to be equal to \$2.55 per ton for the aggregate maximum tonnage of the vessels within the Seaway at any one time and shall be maintained in an amount sufficient to cover each transit for which tolls have been incurred and are unpaid.

(d) Notwithstanding paragraph (c) of this section, where a number of vessels, for each of which a preclearance has been given, are owned or controlled by the same individual or company and have the same representative, the security for tolls is not required if the individual, company, or representative has paid every toll invoice received in the preceding five years within the period set out in § 401.75.

(e) Where, in the opinion of the Corporation or the Authority, the security provided by the representative is insufficient to secure the tolls and charges incurred or likely to be incurred by a vessel, the Corporation or the Authority may suspend the preclearance of the vessel.

(68 Stat. 93-96, 33 U.S.C. 981-990, as amended and secs. 4, 5, 6, 7, 8, 12 and 13 of sec. 2 of Pub. L. 95-474, 92 Stat. 1471)

[39 FR 10900, Mar. 22, 1974, as amended at 45 FR 52378, Aug. 7, 1980; 47 FR 51122, Nov. 12, 1982; 55 FR 48598, Nov. 21, 1990; 61 FR 19551, May 2, 1996]